

SCHOFIELD & HIGLEY, S.C.

A Limited Liability Corporation
Attorneys at Law
Bay View Offices, Suite 100
700 Wolske Bay Road
Menomonie, WI 54751

Kenneth E. Schofield
John K. Higley
Bernard R. Fredrickson

715-235-3939
FAX #715-235-4094

December 23, 1998

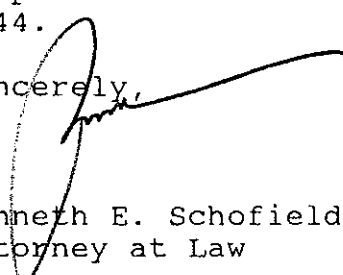
Don Heian
6837 Booth Avenue
Inver Grove Heights, MN 55076

Dear Mr. Heian:

I was discussing the trust monies with Mr. Barnhart, the MAPS treasurer, we wish to have made clarified as to the sum that you would consider to be the principal that is not to be invaded. Would you have any objection to the sum of \$100,000.00 being such principal? As you know the amount of the check that we received was in the sum \$104,265.53. You also sent a "residual check" for \$71.17 received today.

Please give Mr. Barnhart or me a call as to you thoughts with respect to this matter. Mr. Barnhart's phone number is 715-235-2144.

Sincerely,



Kenneth E. Schofield
Attorney at Law

KES/md

cc: Larry Barnhart

Donald B. Heian
6837 Booth Ave. E.
Inver Grove Hts., MN 55076

December 19, 1998

Kenneth E. Scholfield
Bay View Offices, Suite 100
700 Wolske Bay Road
Menomonie, WI 54751

Dear Mr. Scholfield,

Enclosed is a cashiers check for \$71.17 representing the residual of funds (after the initial transfer and expenses) from the Bjarne Heian Scholarship Trust to the Menomonie Area Public Schools Foundation.

Sincerely,



Donald B. Heian

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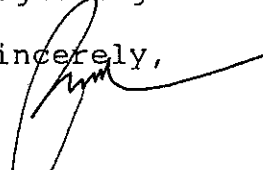
November 9, 1998

Larry Barnhart
E5895 Highway 12
Menomonie, WI 54751

Dear Larry:

Enclosed please find the check in the amount of \$104,265.53
regarding the Bjarne Heian Scholarship.

Sincerely,



Kenneth E. Schofield
Attorney at Law

KES/md
enc.

November 5, 1998

Kenneth E. Scholfield
Bay View Offices, Suite 100
700 Wolske Bay Road
Menomonie, WI 54751

Dear Mr. Scholfield,

Enclosed is a check representing the transfer of funds from the Bjørne Heian Scholarship Trust to the Menomonie Area Public Schools Foundation. I will need a letter from you stating the amount and date of the received funds. The letter should also state that the funds are being transferred into the Menomonie Area Public Schools Foundation, a 501(c)(3) organization. Please include the address and tax identification number of the receiving organization.

My sister has been in contact with Dave Smette with regards to a formal presentation and plaque.

Sincerely,



Donald B. Heian

*P.S. In case it is needed for TAX purposes the
EIN of the Bjørne Heian Scholarship Trust is
41-1891931*

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MEMO

TO: Members of the MAPS Board
FROM: Kenneth E. Schofield
DATE: Bjarne Heian Scholarship
RE: September 21, 1998

Larry Barnhart and I have been in contact with the trustee of the Bjarne Heian Scholarship Trust. The trustee is Mr. Heian's son, Don Heian. Mr. Heian wishes to no longer act as the trustee of the Bjarne Heian trust, a trust that Bjarne Heian wished to have been in perpetuity. The trustee wishes us to then have all of the assets turned over to MAPS with the funds dedicated for the purposes set forth the Bjarne Heian Scholarship Trust, a truncated copy of which is enclosed herewith.

The trustee is aware of the fact that there may be a time when there will no longer be a Knapp Elementary School. His statement to me was that he believed that if that were in fact the case, the trust monies could be given for an individual graduating from Menomonie High School (without reference to location of elementary education). Parenthetically, the trustee is aware of the fact that Knapp is no longer K-6 so the reference in III.a.2. could not be met at all even presently. The trustee is also aware of the fact that there is no such entity as the Knapp Elementary School District.

Thus, it is responsibility of our organization to decide whether or not to accept the funds and, if so, to establish scholarship standards that fall within the spirit of the trust that Bjarne Heian envisioned.

- I have taken the opportunity of drafting a proposal concerning the Heian scholars. There is no pride of authorship in this document and if you have suggestions, corrections or additions, please let me know ahead of our next meeting of October 15, 1998. I will run the proposed scholarship language by Mr. Heian to insure that that will be satisfactory to him once you have called me with any changes or if o.k.

The trustee wishes to have the assets transferred by years' end to our organization. He understands that if those monies become a part of MAPS the amount of the scholarship principal will be matter of public record. He would prefer that the amount not be made public in newspaper or other publications so as to avoid other worthy causes from contacting him for support, but he understands that the existence of the scholarship and the fact that we have public records cannot render the amount of asset principal or the source confidential. The principal amount as I understand it is approximately \$100,000.00. Mr. Heian indicated to me that the trust had already earned approximately \$5,000.00 in interest this year.

It does not matter to the trustee that MAPS establish a committee pursuant to the requirements of III.b. (page 5). As long as an appropriate person or group makes the selection, that is acceptable to him.

Note: the board needs to consider who should select the recipients not just in the first year but, because these are renewable scholarships, also future years.

I look forward to hearing from each of you concerning your thoughts of the Heian scholar recipient qualifications and selection procedure well prior to our October meeting.

BJARNE HEIAN SCHOLARSHIP

The Menomonie Area Public Schools Foundation has received a sum of money from the Bjarne Heian Revocable Living Trust (U/D/O February 16, 1990). The net income from the assets may be used to fund four (4) one-year scholarships for deserving students. Scholarship recipients shall be selected on a non-discriminatory basis upon the following criteria:

1. Scholarship funds shall be available for post-high school education at a duly accredited four-year institution of higher learning or a technical school.
2. A recipient shall have maintained at least a "B" grade average during high school.
3. Financial need of the recipient shall be a priority consideration.
4. The scholarship shall not be limited to any field of study.
5. Recipients shall be limited to graduating high school seniors from Menomonie High School who attended Knapp Elementary School for at least one (1) year during their elementary education. In the event that a Knapp Elementary School ceases to exist and when thereafter there comes a time when there are no Menomonie High School graduates who did in fact attend a Knapp Elementary School, the requirement in this paragraph that a potential recipient shall have attended Knapp Elementary School shall no longer exist.

Scholarships hereunder shall not exceed Two Thousand Dollars (\$2,000.00) per student during any academic year.

A recipient of a Heian scholarship may have the scholarship renewed for three (3) additional, successive one-year terms, provided that the recipient shall maintain at least a 3.0 grade point average (on a 4.0 scale), and provided the recipient demonstrates satisfactory progress toward completion of a course of study that will result in the award of an appropriate degree of higher education.

At the end of each year, any net income which remains undistributed shall be added to principal.

The Board of Directors of the Menomonie Area Public School Foundation shall select the person or persons who shall select scholarship recipients.

The initial scholarships shall be awarded to 1999 Menomonie High School graduates.

RESTATED TRUST AGREEMENT

**BJARNE HEIAN REVOCABLE LIVING TRUST
(u/d/o February 16, 1990)**

GRANTOR: BJARNE HEIAN

TRUSTEES: BJARNE HEIAN and DONALD B. HEIAN

BENEFICIARIES: GRANTOR'S ISSUE

THIS AGREEMENT, made this 22 day of November, 1995, is a restatement of the terms and provisions of the BJARNE HEIAN REVOCABLE LIVING TRUST originally established February 16, 1990, as amended. This Restated Agreement is intended to and does hereby modify, amend, and replace any and all agreements heretofore made between the Grantor and the Trustee.

During the life of the Grantor, either party may, individually, act in behalf of this Trust. Upon the death of the Grantor, DONALD B. HEIAN shall act as sole Trustee. As to other Successor Trustees, see Article VII of this Trust.

WITNESSETH:

I

ADMINISTRATION OF TRUST

A. Trust Principal. The Grantor has deposited with the Trustee, in trust, the assets described in the attached Schedule A. He may, at his pleasure, deposit additional assets by will or otherwise and may designate the Trustee as beneficiary of insurance policies.

B. Insurance. The Grantor shall continue to exercise any option, election, right or privilege to which he is entitled under insurance policies payable to the Trustee. The Trustee shall pay premiums or assessments or otherwise with respect to such policies prior to the death of the insured.

C. Retention of Rights. During the life of Grantor, the Trustee shall hold and manage the assets of this Trust pursuant to the direction of the Grantor. The

III

BJARNE HEIAN SCHOLARSHIP TRUST

The purpose of this Trust shall be to create a private charitable foundation qualified as exempt under §501(c)(3) of the Internal Revenue Code to provide post-high school scholarships for students of the Knapp, Wisconsin, area as more fully set forth below. Recipients of scholarships hereunder shall be known as "Heian Scholars."

The Trustee shall hold the assets and use the income therefrom exclusively for such charitable, religious and educational purposes as set forth herein, and for the payment of the incidental expenses and costs of the administration of the Trust and tax, if any.

A. Scholarships. The net income during any fiscal year may be used to fund four (4) one-year scholarships for deserving students. The Trustee shall select scholarship recipients on a non-discriminatory basis, upon the following criteria:

1. Scholarship funds shall be available for post-high education at a duly accredited four-year institution of higher learning or a technical school.
2. Recipients shall be limited to graduating high school seniors who completed their elementary education in the Knapp Elementary School District.
3. A recipient shall have maintained at least a "B" grade average during high school.
4. Financial need of the recipient shall be a priority consideration.
5. The scholarship shall not be limited to any field of study.

election a greater part is permitted without jeopardizing the Trust's exemption under I.R.C. §501(c)(3). The Trust shall neither participate in, nor intervene in, any political campaign on behalf of (or in opposition to) any candidate for public office, including the publishing or distribution of any statements.

Notwithstanding any other provision of this Agreement, the Trust shall not carry on any other activities not permitted to be carried on by a Trust exempt from federal income tax under I.R.C. §501(c)(3).

E. Intention of Grantor. The Grantor intends that this Trust shall qualify as a charitable foundation qualified for exemption under §501(c)(3) of the Internal Revenue Code of 1986. Accordingly, the Trustee is authorized to do and directed to do whatever is required in order for this Trust to qualify as such and to retain its qualification as such. Further, the Trustee is directed to refrain from doing anything (and shall be deemed to be without power to do anything) that will prevent this Trust from being granted qualification as such. The Trustee shall be authorized to make any modification or amendment in any direction given herein for the administration of this Trust which the Trustee shall deem necessary in order that this Trust will at all times conform to any law, regulation or other directive of any competent federal, state or local authorities hereinafter promulgated in order to preserve the qualification of this Trust as a charitable trust.

F. Term of Trust. It is the intention of the Grantor that the distribution of net income to provide post-high school scholarships, as set forth herein, shall continue in perpetuity in compliance with §700.16(4), Wisconsin Statutes.

In the event of the termination of this Trust, the Trustee shall, after paying or making provision for the payment of all of the liabilities of the Trust, distribute all of the assets of the Trust to the Knapp Elementary School District, provided it is qualified as exempt under §501(c)(3) of the Internal Revenue Code, to be held and distributed as set forth herein.

In the event the Knapp Elementary School District is not qualified as exempt under §501(c)(3) of the Internal Revenue Code, then the Trustee shall distribute all of the assets of the Trust exclusively to one or more organizations then described in I.R.C. §501(c)(3), §2055(a)(2) and §2522(a)(2) having purposes substantially similar to those of this Trust.

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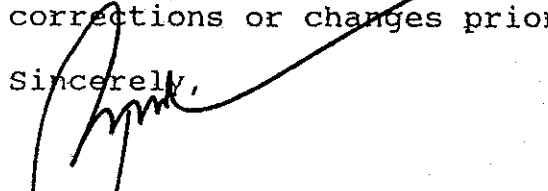
September 29, 1998

Don Heian
6837 Booth Avenue
Inver Grove Heights, MN 55076

Dear Mr. Heian:

Enclosed please find a photocopy of the proposed scholarship criteria. Please review to determine whether or not it meets with your approval. Please let me know as to any suggestions, corrections or changes prior to our meeting of October 15, 1998.

Sincerely,


Kenneth E. Schofield
Attorney at Law

KES/md
enc.

cc: All Members of MAPS